

SERVICE CONTRACT AWARD

STATE OF NEBRASKA

State Purchasing Bureau
301 Centennial Mall South
P.O. Box 94847
Lincoln, Nebraska 68509
Phone: (402) 471-2401

Vendor:
Nebraska Interactive, Inc.
301 South 13th Street, Suite 301
Lincoln, NE 68508

Date: January 28, 2004

Contract Number: NIS-5934 (O4)

General Classification: On-Line Services

Contact: Rod Armstrong
Phone: 402-471-6582
Fax: 402-471-7817

Agency Name: State Records Board

AN AWARD HAS BEEN MADE TO THE VENDOR/CONTRACTOR NAMED ABOVE FOR THE SERVICES AS LISTED BELOW FOR THE PERIOD:

February 1, 2004 through January 31, 2007

THIS CONTRACT IS NOT AN EXCLUSIVE CONTRACT TO FURNISH THE SERVICES SHOWN BELOW, AND DOES NOT PRECLUDE THE PURCHASE OF SIMILAR SERVICES FROM OTHER SOURCES.

THE STATE RESERVES THE RIGHT TO EXTEND THE PERIOD OF THIS CONTRACT BEYOND THE TERMINATION DATE WHEN MUTUALLY AGREEABLE TO THE VENDOR/CONTRACTOR AND THE STATE OF NEBRASKA.

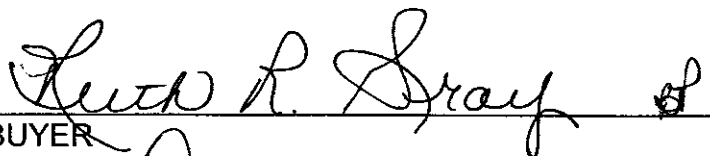
THE VENDOR/CONTRACTOR'S SIGNATURE ON THE STATE OF NEBRASKA'S "INVITATION TO BID" FORM IS THE COMMITMENT TO THE STATE TO PERFORM SPECIFIED SERVICES AND ADHERE TO ALL TERMS AND CONDITIONS ON PAGE 2. THE AUTHORIZED SIGNATURE BELOW EXECUTING THIS CONTRACT ONLY ACKNOWLEDGES A COMPETITIVE BIDDING PROCESS WAS FOLLOWED. ACCEPTANCE OF ANY PROPOSALS OR DEVIATIONS FROM SPECIFICATIONS IS THE RESPONSIBILITY OF THE ORIGINATING STATE AGENCY. DOCUMENTATION OF AGENCY ACCEPTANCE OF PROPOSAL TO THIS AWARDED CONTRACTOR IS ATTACHED AND IS PART OF THE CONTRACT AWARD.

AWARDED FROM RFP NUMBER SCA-0261

Contract to operate and manage the Nebrask@Online Network for a period of three (3) years effective February 1, 2004 through January 31, 2007, with the option to renew for one (1) additional 2-year period, and one (1) additional 1-year period, as mutually agreed upon by all parties.

The contract shall incorporate the following previously submitted documents:

1. The signed Request for Proposal form;
2. The original RFP document;
3. Any Request for Proposal Addenda and or Amendments to include Questions and Answers;
4. The Contractor's Proposal;
5. Any Contract Amendments, in order of significance; and
6. Contract Award to include the Contract for Network Manager Services between the Nebraska State Records Board on behalf of the State of Nebraska and Nebraska Interactive, Inc.


BUYER


DAS MATERIEL ADMINISTRATOR

Contract for Network Manager Services

Between

**The Nebraska State Records Board
on behalf of the**

State of Nebraska

And

Nebraska Interactive, Inc.

January 27, 2004

CONTRACT FOR NETWORK MANAGER SERVICES

THIS CONTRACT is between the Nebraska State Records Board, established under the Records Management Act (§84-1204 R.R.S. 1943), hereinafter referred to as "NSRB" Nebraska Interactive, Inc., a for-profit Nebraska corporation, without seal, hereinafter referred to as "NII".

WHEREAS, NSRB, under the authority granted by the Records Management Act, is interested in furthering access by Nebraskans to public information and for transactions with the public in the most cost-effective, progressive, and cooperative means possible; and

WHEREAS, the NSRB desires to operate Nebrask@ Online as an electronic network (synonymous with the term "gateway" for the purposes of this contract) access service in furtherance of this goal, and has concluded the network must continue to be enhanced; and

WHEREAS, the NSRB wants Nebrask@ Online to achieve and maintain national leadership in delivery of e-government services over the term of the contract; and

WHEREAS, an enhanced Nebrask@ Online will significantly benefit the state through:

- a. Compensation to The State for electronic access to certain information;
- b. A reduced burden for public access and data collection upon data providing and collecting entities, including state agencies;
- c. Increased efficiency of data providing and collecting entities, including state agencies, without budget increases;
- d. Additional resources to data providing and collecting entities as Nebrask@ Online grows;

- e. Additional and leveraged resources for NSRB to assist in its records management, information management, data collection, and access functions; and

WHEREAS, in order to effectuate this enhancement, NSRB, as the Nebrask@ Online network authority, issued a request for proposals for a public-private partnership with a private network manager, dated April 14, 2003. The request hereinafter referred to as "the RFP"; and

WHEREAS, NII submitted a proposal in response to the RFP, and such proposal was determined by the NSRB to be the one best-suited to the goals of the NSRB and the needs of an enhanced Nebrask@ Online. The proposal is hereinafter referred to as the "NII Proposal"; and

WHEREAS, NSRB desires to enter into a contract with NII for NII to serve as network manager in a public-private partnership to enhance, develop, operate, maintain and expand Nebrask@ Online (hereinafter referred to as "the Network") for increased electronic access to and collection of public and other useful and relevant information as contemplated by the grant of authority to NSRB, in Section §84-1204 R.R.S. 1943, which provides in part that NSRB shall develop and maintain a gateway or electronic network for accessing public records; and

WHEREAS, pursuant to Section §84-1204 R.R.S. 1943, the NSRB also supports and advises the Nebraska Records Management Division and State Records Administrator in accomplishing their legislative purposes, and for which the Network will furnish further valuable support; and

NOW THEREFORE, the parties agree as follows:

1. PURPOSE OF NETWORK.

The purpose of the Network and this Contract may be summarized as follows:

a. To provide a significantly expanded and aggressively enhanced public service to the citizens and businesses of Nebraska by (1) increasing accessibility to and collection of public information and other useful information and services through various means, including electronic means, and (2) promoting economic development by increasing ease of access to and collection of public information and other useful information, and by promoting the sharing of information.

b. To provide such public service without increasing the tax burden on the citizens of Nebraska, through utilization of private capital and management and appropriate payment for the same.

c. To assist the State of Nebraska in achieving the goals related to electronic access to public information and services enumerated in the E-government Strategic plan of the Nebraska Information Technology Commission.

2. HARDWARE, SOFTWARE AND ACCESS LINES

NII will provide hardware, and provide or develop software as enumerated in the NII proposal (dated 7-31-2003), and such other hardware and software as may be necessary to make the Network operational. In accordance with the RFP, NSRB shall be entitled to a perpetual right-to-use license to all application software, documentation and source code utilized in operating the Network which is developed or utilized by NII or developed by NICUSA, Inc.,

the parent company of NII, hereinafter "NICUSA", or any of its affiliates and utilized pursuant to this contract, hereinafter collectively referred to as "The Software".

The following terms and conditions shall govern this contract:

a. By January 31, 2007, or upon termination as provided for in the terms of this contract, NSRB shall be entitled to a non-exclusive perpetual right-to-use-only license with rights to modify as it desires (either itself or using Approved Contractors), for no additional compensation, to The Software as it exists as of that date. Thereafter, at the end of each renewal period exercised by NSRB, or upon termination as provided for in the terms of this contract, NSRB shall be entitled to the same license to The Software as it exists on each such date for no additional compensation.

b. The perpetual right to use license shall not apply to software or documentation created by third parties (other than NICUSA or its affiliates) and purchased by or licensed to NII, (hereinafter referred to as "Third Party Software") together with any amendments thereto made by NII.

c. A copy of The Software, or such portion as NSRB may elect to license, as it exists upon such date, shall be delivered to NSRB upon termination as provided for in the terms of this contract, or upon January 31, 2007, or the end of any renewal periods beyond that date, exercised by NSRB.

d. NII shall deposit on a quarterly basis, at its own expense a copy of the most recent version of all source code of The Software in escrow with a neutral third party mutually chosen by NII and NSRB. Over the term of the contract NII will have the authority to remove superseded source code. Upon notice of termination or expiration of

this contract, which shall be transmitted to the escrow agent, neither party shall have authority to remove any source code held in escrow.

e. Any and all modifications made to The Software by or on behalf of NSRB shall remain the property of NICUSA, but shall automatically be licensed to NSRB under the same terms and conditions as The Software is licensed.

f. An "Approved Contractor" shall be a contractor who shall have executed an agreement with NSRB in a form satisfactory to NICUSA. Such agreement shall:

- i. Protect The Software from use inconsistent with the NICUSA License or disclosure;
- ii. Require the contractor to agree not to prepare products for anyone other than the NSRB which will compete with The Software for a period of twelve months;
- iii. Provide for injunctive relief from any violation of this section;
- iv. Include a list of software applications covered by The Software license; and
- v. Provide that any and all modifications made to The Software by or on behalf of NSRB shall remain the property of NICUSA, but shall automatically be licensed to NSRB under the same terms and conditions as The Software is licensed.

Upon termination or expiration of this Contract all other Network and manager records, work papers and operations documentation pertaining to network operations shall be delivered to NSRB with thirty (30) days after termination or

expiration and shall become the property of NSRB. NII shall be entitled to retain copies of the same, which may be used only for defensive and archival purposes.

NII will be responsible during the term of this Contract for maintaining Network hardware and software (including items provided to the Department of Administrative Services, Division of Information Management Services, hereafter referred to as "IMServices", as allowed by IMServices).

g. Upon termination or expiration of this contract the NSRB shall have the right to purchase, at its depreciated value used for federal income tax purposes, all computer hardware owned and used in Nebraska by NII in association with operating the Network. Such hardware shall have all current software relating to NII applications and operating systems intact to provide a fully-functional production environment, and administrative authority required for access and operation of such hardware shall be transferred by NII to appropriate personnel to be designated by NSRB.

Upon termination or expiration the NSRB shall also have the right to purchase or have transferred to them for consideration to be determined by the parties any third-party commercial software licenses used in the operation of network at its depreciated value used for federal income tax purposes.

3. CONNECTIONS BETWEEN NETWORK AND STATE AGENCIES

Costs associated with and maintenance of communication links from state facilities to NII facilities for Network purposes, including but not limited to leased circuits from telephone or cable companies, shall be paid as expenses from the Network revenue account.

4. NETWORK SERVICES

a. NII on behalf of NSRB shall negotiate with and submit to NSRB for final approval written agreements from each separate data providing/collecting entity (hereinafter, "DP/CE") with which electronic communication is desired, but only if such agreements are needed to supplement the broad grant of authority to access public records or collect information data from the public which has already been granted to NSRB. A standard form for this agreement shall be created by NII and approved by the NSRB. In the absence of any specific separate agreement, this Contract, together with any addenda incorporated by reference, shall serve as the document granting NII access to or the authority to electronically collect any such data.

b. Through addenda to this Contract and/or through the separate DP/CE contracts, NII and NSRB shall, by mutual agreement establish charges for, if appropriate, and other conditions of such access or collections with each DP/CE. In the establishment of charges provided for in such addenda, NSRB shall be responsible for any payments to other DP/CEs whose information is so accessed or collected and such charges collected by NII shall be paid by NII to NSRB directly.

c. Such agreements or addenda to this Contract, if any, shall provide 1) for the costs DP/CEs will charge, which will be paid as expenses by NII from the Network revenue account for information access or collection, 2) the time period and means by which DP/CEs will be paid from the Network revenue account for access or collection, and 3) the criteria the DP/CE and NII will utilize for system development, testing and acceptance in order to assure the reliability of the Network, protection of data, Network

security, and any other reasonable special requirements (such as—providing credit card authorization service for State's Credit Card Payment Program with regard to certain services made available via the Internet) for access to and collection of DP/CE data. (NSRB will cooperate in obtaining electronic access to DP/CE's for NII which will be funded by NSRB only if specifically approved by the NSRB.)

d. Unless otherwise specifically provided in statute, all electronic access fees for state government information collected by NII shall be deposited by electronic means in the Records Management Cash Fund by NII. Deposits by NII shall be made as follows:

i. On the 15th day of each month, or the next following business day to the 15th of the month if the fifteenth does not fall on a business day, NII shall deposit in the Records Management Cash Fund by electronic means payment for the estimated portion of funds received for services rendered in the prior month ultimately retained by NSRB and DP/CE under all agreements for such payment in effect between the NSRB and DP/CEs and NSRB and NII.

ii. On the last business day of the month NII shall deposit in the Records Management Cash Fund by electronic means the total amount of funds payable to NSRB for services rendered in the prior month payable to NSRB and DP/CEs under all agreements for such payment in effect between NSRB and DP/CEs or NSRB and NII less amounts received from the mid-month payment provided in paragraph (i) above.

iii. At least seven days prior to the last business day of the month NII shall provide an itemized statement of all payments to be deposited for that

month including a breakdown by data type (i.e. driver's license records, UCC searches) and volume activity and amount of revenue by data type.

iv. On the last business day of the month NSRB shall transfer to NII by electronic means all amounts due under agreements in effect at that time for services rendered in the month prior to payment.

e. After negotiating any separate DP/CE agreement, the agreement shall be presented by NII to NSRB for final approval. When an agreement is presented to NSRB, NII and respective DP/CE shall also present to NSRB a recommendation for prices, if appropriate to be charged users for the applicable Network service.

f. All subscribers will be required to execute a contract for services. NII shall be authorized to execute such contracts on behalf of NSRB. The basic form shall be approved by NSRB.

g. NII, on behalf of NSRB, shall provide continued and uninterrupted network manager services to any state agency which has an existing contract or contracts with NSRB, or has an existing contract or contracts which were originally executed between the agency and the NSRB under the prior contract and contract addenda issued pursuant to the Request for Proposal released on September 8, 1997, except under such circumstances as such contract or contracts are otherwise terminated by said state agency or NII under the terms of the agreement or as allowed by law

5. REGULATION OF RATES BY NSRB

1) All charges to Network users shall be subject to, after mutual agreement between NII and NSRB, the final approval of NSRB for fairness, reasonableness and

appropriateness. In establishing such Network prices NII and NSRB shall consider the following factors:

- a. The need to reward innovation and efficiency in Network management.
- b. A commitment to the public policy requirement to provide electronic access to public records or electronic transactions with the public at the most reasonable prices possible.
- c. That the prices to be charged may be adjusted to permit funding of special projects and enhancement of public service.
- d. The fact that some public records may already be provided electronically by the State.
- e. The entrepreneurial and start-up nature of the business and attendant risk of capital for NII and the need for them to earn an acceptable rate of return.
- f. The need to invest in expansion of and improvement in The Network and its information services.
- g. The need of NII to earn a reasonable profit on Network operations.
- h. The need to comply with Legislative requirements.
- i. Any other reasonable factor which in the opinion of NSRB should be considered.

2) Such services will thereafter be subject to periodic review and adjustment by NSRB, in conformance with the appropriate Reissue Revised Statutes of Nebraska. Recommendations for amended rates shall be made by NII to NSRB as deemed necessary or desirable.

The maximum initial subscription fee that mainframe bulk and interactive subscribers shall pay is \$50.00, which will be used to cover NII costs of account management, licensing communication software, if any, and providing 1-800 technical support. The maximum annual renewal fee shall be \$50.00. Each subscriber shall be entitled to a maximum number of users per subscription fee as approved by NSRB. These fees may be reduced at the discretion of NII as an inducement to further increase the number of subscribers and with the intent of increasing the overall billed usage of the Network. Should NII provide appropriate justification, NSRB may increase the initial or the annual renewal subscription fees. In addition, subscribers utilizing Network provided dial-in modem bank will pay NII a per minute connect fee to cover the telecommunications costs of providing 800 and Internet service to these subscribers.

Subscriber information, including names, addresses, usernames, passwords, credit card numbers, and bank account numbers shall remain the property of NII during the term of the contract. NII will make such information available upon request only to law enforcement authorities or such other parties as NSRB may approve.

In the event that costs which NII pays state agencies for data or data access are reduced or increased as result of legislation or administrative changes, such reductions or increases shall be passed on directly to subscribers and users of the Network unless otherwise mutually approved in writing by NSRB and NII.

6. NETWORK MANAGER REMUNERATION.

Within the framework of the pricing approval procedure addressed in section 5 above, the disbursement of all funds received by the Network as a result of the operation of this Contract will be as follows:

a. NSRB will operate the Network within the records management cash fund allocation allowed by the Reissue Revised Statutes of Nebraska and the revenue generated from electronic access fees generated from new services implemented during and/or between Legislative Sessions.

b. NII shall be entitled to 90% of the net transaction revenue for services enumerated in Appendix B of the RFP. 10% of such net transaction revenue shall be retained by NSRB, at least one-half of the 10% retained shall be reserved and paid to NII for services as directed by NSRB. For purposes of this section of the agreement, "net transaction revenue" shall mean all transaction fees collected by Nebraska@ Online for services enumerated in Appendix B of the RFP less payment of agency portions of transaction fees.

c. NII shall be entitled to retain all revenue generated from subscription fees and connect time charges. NII shall be paid the revenue generated from electronic access fees for currently existing services by NSRB according to the terms currently applicable or as modified at some future date pursuant to Nebraska law and/or by mutual agreement after payment of the fees specified in the respective DP/CE agreements, and payments specified in paragraph b. above. Revenue from electronic access fees for new services shall be divided as agreed upon at the time the NSRB approves the fees for the services or as modified at some future date pursuant to Nebraska law and/or by mutual agreement.

7. CHANGES IN NETWORK.

A planned material change in Network operations cannot be made by NII without the prior written consent of NSRB. A "material change" includes, but is not limited to, a change which materially increases on-line response time to user inquiries; significantly adds to the complexity of system use; materially diminishes services provided to users; results in a significant detrimental impact on operations noticeable by users; or a new portal, new secondary portal, or a material change to an existing portal or secondary portal. For purposes of this section, "users" shall include DP/CE users and other end users.

NII will provide to NSRB at least 30 days' prior written notice of a planned material change in Network operations, to allow NSRB review.

8. NOTICES.

The NSRB contact person shall be the NSRB Chairman. The NII contact person shall be the President of NII. Each party may change its designation for notice by written notice to the other party to this Contract.

Notices by the parties to one another shall be given in writing to the persons identified above or to such other persons as may be subsequently identified in a written notice. Such notices shall be effective on the date of receipt if sent by U.S. restricted delivery mail, postpaid, or by any reputable overnight delivery service, prepaid.

9. OVERSIGHT OF OPERATION AND CONTRACT COMPLIANCE REVIEW

All NII documents and records pertaining to Network operations will be available for compliance reviews and inspection by NSRB, or other authorized representatives

designated by NSRB. Monthly income statement and balance sheet information will be provided to NSRB by NII.

NII also agrees to make other changes requested by NSRB to comply with recommendations made in any applicable audit or compliance review. NII shall have the opportunity to address the Board should they have any concerns or supplemental information regarding any request to comply pursuant to this section.

10. FINANCES AND RECORDS

On an annual basis, NII will provide audited financial statements to NSRB. To the extent the financial audit report discloses any discrepancies in the NII charges, billings or financial records, and following a period for review and verification by NII, NII will adjust the next monthly bill as soon as reasonably possible, but not to exceed 90 days. NII shall cooperate to assure that verification is completed in a timely manner.

The accounting system is to include a numbered chart of accounts, books or original entry of all transactions, appropriate subsidiary ledgers, a general ledger which includes to-date posting and an audit trail through financial statements. Such books may either be maintained on paper or on computer with appropriate backup. NII shall adopt the calendar year ending December 31, for reporting purposes.

The financial audit performed pursuant to this section shall be performed by a competent and reputable CPA licensed in Nebraska.

Financial information concerning NICUSA is and shall continue to be made available at their website: <http://www.nicusa.com> or at such succesor website(s) that shall be used for such purpose.

11. MANAGEMENT REPORTS AND BUSINESS PLAN.

a. Network operations and development shall generally be in accordance with the NII proposal, which shall be considered the Network business plan. As deemed necessary or desirable, NII may depart from such proposal but in the event of any material departure NII shall notify NSRB in advance. NII shall timely provide to NSRB such management reports as NSRB may reasonably request. NII shall update the business plan annually. Network services as provided in the business plan shall be proportionate to network resources available. The business plan will include a marketing plan as a separate component or section. All plans submitted pursuant to this subsection shall be subject to the written approval of the NSRB.

b. NII shall prepare and submit to NSRB a technical architecture report within 90 days of the effective date of this contract. Said report shall be a comprehensive overview of the technical architecture used for the network, and will be due annually thereafter for the term of the contract or any renewals of the contract.

12. PROJECT MANAGEMENT

a. NSRB shall establish guidelines and procedures for prioritization of projects undertaken by NII pursuant to the contract. NII shall prepare on a quarterly basis or as otherwise requested by NSRB, a report listing projects currently being worked on by NII, such report shall include a summary of the project and an estimated timeline for completion of the project. The timeline for projects contained in the report shall be subject to approval or amendment by NSRB.

b. In consultation with NII, NSRB shall establish guidelines and procedures for project management to be utilized by NII. Such procedures shall include:

- Identify and agree upon with the agency or entity involved the scope of work
- Identification of resources needed for the project including:
 - Identify participants in the project and their roles and responsibilities
 - Identify equipment, hardware and software needs
- Define Deliverables
- Establish a timeline
- Establish a reporting procedure to the agency or entity for whom the work is being performed
- Identify and develop risk mitigation strategy as necessary

Documentation of these project management procedures shall be submitted to NSRB in such manner and such times as NSRB may determine.

13. PROHIBITION ON CERTAIN PAYMENTS TO INTERESTED PARTIES

“Interested party” means any NII officer, director, stockholder and any state employee directly involved in negotiation of the Contract, and any immediate family member of the foregoing.

No payments shall be made to an interested party or business entity controlled by an interested party except for the fair value of lawful goods or services actually rendered to the Network.

This requirement shall not be applicable to shareholder distributions.

**14. FULL-TIME EQUIVALENT POSITIONS AND SALARIES,
BENEFITS AND RELATED EMPLOYER EXPENSES.**

Personnel matters shall be generally governed as provided in RFP SCA-0261, Section III, subsection I, page 11. Nothing in said section of the RFP shall inhibit the authority of the NII president or his/her designee to take any employee management actions deemed necessary, up to and including immediate dismissal of an employee.

**15. NETWORK REVENUE ACCOUNTS AND PAYMENTS
THEREFROM**

Payments from NII Accounts. Payments from the Network revenue accounts are authorized as follows:

1. Payments pursuant to section 6 (c) for electronic access to or collection of information;
2. From payments from network revenue accounts NII is entitled to retain:
 - a. Payment of ordinary, necessary and reasonable operating expenses for the Network;

b. System development costs, including programming (to the extent not covered by regular salary under ordinary operating expenses) and purchases or upgrades of software or hardware.

c. Payment to owners of NII.

d. Any other payments to NSRB.

16. CORPORATE SUPPORT

NII shall monitor and notify NSRB of any new applications developed by its parent company or other subsidiaries of its parent company for possible implementation as part of Nebrask@ Online at no additional license cost to the State. When implemented as part of Nebrask@ Online, such applications will be governed by Section 2 of this contract which gives NSRB a perpetual right-to-use license.

17. PROBLEM REPORTS

NII shall log and track complaint and suggestions submitted pursuant to any online chat, online support, or help desk functions utilized by NII. Such logs shall be available to NSRB upon request.

NII shall log and track any complaint, delays, or disputes associated with the development of applications for agencies or entities under this contract. Such logs shall be made available to NSRB at any time upon request, and shall be reported to the NSRB at such times and in such manner as NSRB may determine.

18. PEER REVIEW

NSRB shall develop and NII shall submit to an annual peer review of technical architecture, security, quality assurance, and project management methodology

developed and used pursuant to the contract and project management processes. The peer review shall be conducted by an individual or individuals mutually agreed to by the parties. Individuals conducting any such peer review shall sign a non-disclosure agreement acceptable to NII to protect NII or NIC proprietary information.

19. INCORPORATION BY REFERENCE.

The provisions of the RFP and the NII proposal are hereby incorporated into this Contract and made a part hereof. If there is any conflict between the terms of the RFP and the provisions of this Contract, the terms of the Contract shall control over the terms of the RFP. If there is any conflict between the terms of the NII proposal and this Contract, the terms of the Contract shall control. This contract may only be amended by mutual expressed written consent of the parties. Where there is a conflict between the language in the RFP and the NII response to the RFP the RFP language shall control unless otherwise provided in this contract.

20. EXISTING AGREEMENTS

All addenda and existing contracts between state agencies or other state entities and NSRB prior to the date of this contract in full force and effect as of January 31, 2004, remain in full force and effect under the contract until such time as they are cancelled or terminated in accordance with the terms of this contract or expire under their own terms or any terms that may be agreed upon by the parties in the future.

21. BONDS AND OTHER REMEDIES

Neither NSRB nor the State of Nebraska shall duplicate or stack recovery of damages, penalties, or compensation for loss under more than one of the following provisions: a. Section III, Subsection BB, first sentence; b. Section III, Subsection BB, second sentence; or c.

Section III, Subsection CC for any one particular instance allowing recovery under these sections. This section should in no way be construed to limit the NSRB's ability to recover separately or conjunctively, under either Section III, subsection BB or subsection CC of the RFP should any action or inaction by NII create grounds for recovery under these sections.

22. TERMINATION OF CONTRACT

1). NSRB may terminate this Contract immediately for the following reasons:

- a. if directed to do so by statute;
- b. if there is a substantial cessation of services provided through the gateway by NII for more than ten consecutive days, NSRB shall notify NICUSA of any substantial cessation of network services within 24 hours of such cessation and the ten days shall run from the time of cessation as long as the notification is provided in within 24 hours;
- c. failure of appropriation by the Legislature as found in section III, Y of the RFP;
- d. dissolution of NII or forfeiture of its corporate existence without the creation or assignment of a successor business entity assuming the obligations of this contract; insolvency or bankruptcy of NII;
- e. Fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under this contract by NII, its employees, officers, directors or shareholders;
- f. Intentional disclosure of any confidential information;

g. repeal of NSRB enabling statutes unless other statutory provisions allow continuation of the Network.

2.) Should NSRB terminate this Contract pursuant to section 22, subsections (a), (c) or (g) of this Agreement prior to the expiration of any Term, the NSRB shall not be automatically entitled to the Software License described in section 2 of this Agreement. However, NSRB shall be entitled to elect one of the following options, or none of them, as it desires:

- a. Contract with NII for a software license and ongoing support upon mutually agreeable terms and conditions; or
- b. Select a new Network manager, and elect to have NII support the Network pursuant to Section 31 (Continuity of Services) of this Agreement upon mutually agreeable terms and conditions; or
- c. Operate the Network itself and purchase a perpetual Software license and any transferable interests in the third Party Software licenses, for a one-time payment to NII equal to: the product of Nine Hundred Thousand Dollars (\$900,000.00) multiplied by a fraction, (a) the numerator of which is thirty six minus the number of months that have elapsed under the Initial Term plus any Renewal Terms (including those months elapsed under the Term of this Contract then in effect) and (b) the denominator of which is thirty six.

23. TERMINATION FOR CAUSE

1.) NSRB shall have the right to terminate this Contract for cause as defined below, subject to cure, by providing written notice of intent to terminate for cause to NII. Such notice shall specify the time for termination if not cured and the specific "for cause" reason that gives rise to the intent to terminate. NSRB shall provide a period of time of not less than 60 days,

unless otherwise specified in this Contract, for NII to cure such causes under this Contract of which it receives written notice.

For purposes of this Contract, the phrase "for cause" shall exclude items enumerated in Section 22, but shall include, but not be limited to, the following events:

- a. Any material breach or evasion by NII of the terms or conditions of this Contract and its amendments, if any.
- b. Material breach of an agreement with any state agency or political subdivision.
- c. Substantial cessation of services provided through the gateway by NII for less than ten consecutive days.

2). NII shall have the right to terminate this Agreement for cause, subject to cure, by providing written notice of termination to NSRB. Such notice shall specify the time, the specific provision of this Agreement or "for cause" reason that gives rise to the termination, and shall specify reasonable appropriate action that can be taken by NSRB to avoid termination of the Agreement. NSRB shall have of up to sixty (60) calendar days, unless otherwise specified in this Agreement, for the NSRB to cure breaches and deficiencies of its performance obligations under this Agreement. For purposes of paragraph 3, the phrase "for cause" shall mean:

- a. Any material breach or evasion by NSRB of the terms or conditions of this Agreement and its amendments, if any.

24. STANDARD USE MESSAGES

The Network shall display such standard use message(s) to all subscribers upon initial access to the Network or a part thereof as may from time to time be appropriate, and a subscriber shall be required to indicate the subscriber's compliance with said message terms.

Upon subsequent accesses, such message shall be displayed only, without compliance indication, if prior compliance indication is logged in the user's session log. All messages must contain language that is at least as restrictive as the following:

"As a requester of Public information, I do hereby certify by making inquiry that I do not intend to and will not (the Network will include any such language or restriction as is required by Nebraska law.)"

The Network shall provide DP/CEs the opportunity to include additional wording if determined necessary by the DP/CE. The standard use message shall comply with any amendments to the law.

25. DATA PROVIDING ENTITY ACCESS

- a. DP/CEs may, if they desire and if approved by NSRB, have terminal (read) access to the Network's computerized log of subscribers and each user's security status, without access cost to the DP/CEs. The DP/CEs will be responsible for the cost of terminal(s) and the cost of a dial-up or lease line, whichever is used.
- b. DP/CEs must be able to sign on to NII's system to audit the dissemination of "premium service" records (records with an associated fee). On-line audit capability must be available for the length of time specified by the particular DP/CE after transaction processing. After the on-line retention period has expired, NII shall, as specified between NII and the DP/CEs, retain, destroy, or provide the record information to the DP/CE without cost.
- c. At a minimum, the Network shall retain the following data: name of subscriber, transaction date and time, type of inquiry and access keys.

d. NII shall notify affected DP/CEs and NSRB within two hours of unauthorized attempts to gain access to password protected data. The notice shall contain detailed information to aid the DP/CE to examine the matter.

26. PATENT, COPYRIGHT, TRADEMARK AND TRADE SECRET INDEMNITY

NII warrants that its proposed operation of the Network does not and shall not infringe on the United States patent, copyright, trademark or trade secret rights of any person or entity. NSRB shall provide NII with prompt notice of any claim against NSRB or the State, and NII shall have the duty to defend or settle such claim as NII deems appropriate. NSRB shall be provided with prompt notice of any such claim of infringement against NII and NII shall have the exclusive right to defend or settle such claim at NII's option. NSRB shall cooperate with NII in its defense or settlement of such claim at no expense to NSRB. If NII determines that, as a result of such claim the right of users to use the Network is likely to be abridged, NII shall (a) take all reasonable steps necessary to procure for users the right to continue to use the Network; or (b) modify the Network so that no such abridgment will occur and correspondingly reduce charges if the modified Network is not substantially equivalent or better than what it was before the modification.

27. LIABILITY

NSRB and the State of Nebraska, its agents and employees shall not be legally responsible to NII for errors due to Network problems.

NII agrees for itself, its agents, employees and assigns to hold harmless, indemnify and defend NSRB and the State of Nebraska, its agents and employees from any

actions by third parties arising out of NII's negligence or material failure to perform under the terms of this Contract.

NII agrees that it has no right of subrogation or contribution from the NSRB or the State of Nebraska for any judgment rendered against NII under such circumstances.

NII liability shall be limited to actual damage caused in whole or in part by its intentional acts, negligent acts or omissions, material failure to perform under the terms of this contract, or violation of applicable laws, rules, regulations, or ordinances, and any such acts or failures to act of any subcontractors of NII, except to the extent the same was caused or induced by the State.

Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under the contract due to a natural disaster or other event not the fault of the affected party.

28. ASSIGNMENT AND SUBCONTRACTING

NII may not assign any of its rights or delegate any of its duties hereunder unless done pursuant to the prior written consent of NSRB.

NII may subcontract portions of work to be performed by it under this Contract with the written consent of NSRB.

NII may use the services of other NIC personnel and associates for portions of work to be performed by it under this Contract without the written consent of NSRB.

29. TERMS OF CONTRACT

This Contract shall be for a term of 3 years, commencing February 1, 2004, and expiring at the hour of midnight Central Daylight time, between January 31 and February 1, 2007, unless earlier terminated by NSRB.

Subject to the agreement in writing of the parties, this Contract may be renewed for (a) one additional term of 2 years followed by (b) a subsequent additional term of 1 year. Renewals under (a) and (b) may be exercised by one act of renewal. Notification of renewal shall be given by NSRB to NII at least 1 year before the expiration of the initial term and of any renewal term. The term "this Contract" as used in this Agreement shall mean the initial term, together with any renewal terms which are approved. NSRB acknowledges that the length of this Contract and the length of any renewal term or terms has a material effect on the capital invested in the Network considering the potential profit margin hereunder.

30. RELATIONSHIP OF PARTIES

Notwithstanding any other provisions contained herein, it is expressly agreed that NII is an independent contractor in the performance of each and every part of this Contract. As such, NII is solely and personally liable for all labor and expenses in furtherance of such performance and for any and all damages which may be occasioned on account of its performance hereunder.

NII may become an agent of NSRB only by the expressed written consent of NSRB.

NII will not pledge any assets of NSRB in its care, custody or control, or cause any type of lien to attach to such.

31. CONTINUATION OF OPERATIONS DURING TRANSITION PERIOD

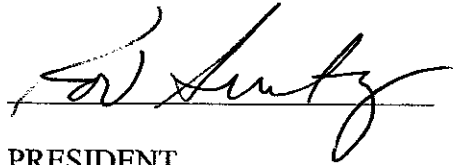
If for any reason this Contract shall be terminated or upon expiration of the Contract without extension, or at the end of any extension, NII shall, at the option of NSRB, continue to operate under this Contract as Network Manager in accordance with all terms and conditions of this Contract, together with any amendments or modifications in existence at such time, for a period of up to 12 months from the time of expiration or notification of termination from NSRB to NII, whichever occurs earlier. The intent of this provision is to insure continuation of Network operations while a successor Network Manager is chosen and contracted.

32. ENTIRE AGREEMENT

This Contract (as defined in Section 19, herein) constitutes the entire agreement of the parties and supersedes all other prior written or oral contracts between the parties with respect to the subject matter hereof. This Contract may be amended only by a writing signed by the parties thereto.

IN WITNESS to the agreement of the Nebraska State Records Board and Nebraska Interactive, Inc. to all of the above terms and conditions, the respective governing bodies or Boards of Directors of the two organizations have approved the same and have authorized their chief executive officers, chairman or secretaries to affix their signatures below indicating such upon this 21 day of January, 2004.

NEBRASKA INTERACTIVE, INC.:


PRESIDENT

1-23-04
Date

STATE OF NEBRASKA)

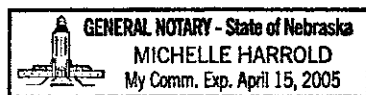
) ss.

COUNTY OF LANCASTER)

Rod Armstrong, of lawful age, being first duly sworn, deposes and says that
he is President of Nebrask@ Interactive, Inc. and has been duly authorized to execute this
Contract on its behalf.



SUBSCRIBED AND SWORN to before me this 23 day of January, 2004.



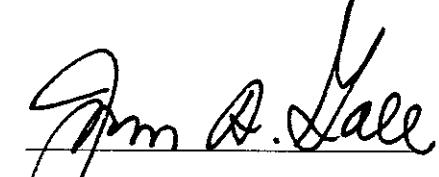


Notary Public

My Commission expires:

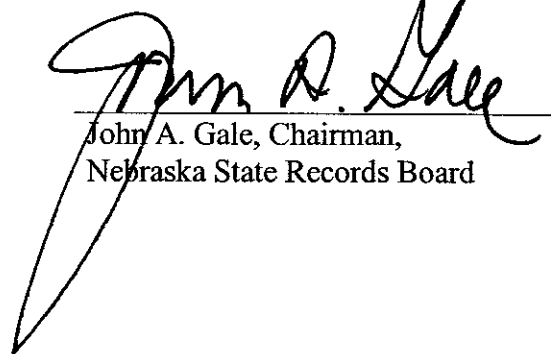
April 15, 2005

NEBRASKA STATE RECORDS BOARD:

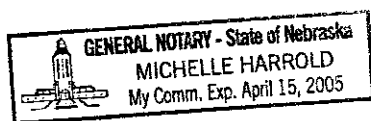

CHAIRMAN

January 27, 2004
Date

John A. Gale, of lawful age, being first duly sworn, deposes and says that he is the Administrator of the Nebraska State Records Board and has been duly authorized to execute this contract on its behalf.


John A. Gale, Chairman,
Nebraska State Records Board

SUBSCRIBED AND SWORN to before me this 27 day of January, 2004





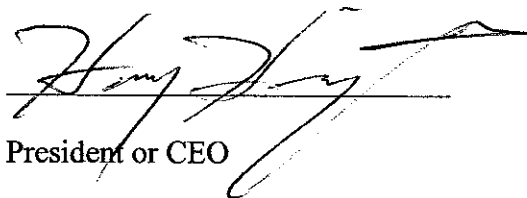
Notary Public

My Commission expires:

April 15, 2005

GUARANTEE OF PERFORMANCE

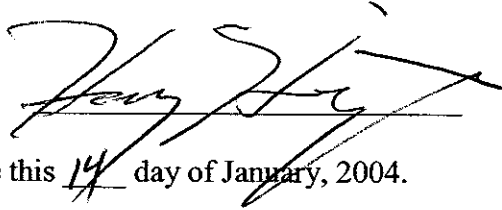
NICUSA, Inc. guarantees performance of Nebraska Interactive Inc. under the terms of the contract for Network Manager Services executed between the Nebraska State Records Board and NII on January 27, 2004, and will promptly take all necessary steps to ensure continued uninterrupted operation of the Network and provide the necessary support to ensure compliance with contractual provisions upon written notice by NSRB of nonperformance or breach.


President or CEO

1-14-04
Date

STATE OF Tennessee)
COUNTY OF Davidson) ss.

Harry Herington, of lawful age, being first duly sworn, deposes and says that he is President or CEO of NICUSA, Inc. and has been duly authorized to execute this Contract on its behalf.


SUBSCRIBED AND SWORN to before me this 14 day of January, 2004.

Selucia C. Perry
Notary Public

My Commission expires:

My Commission Expires NOV. 27, 2004